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LYLE H. STANDISH
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BOARD OF HAIL INSURANCE
134, 135 CAPITOL BUILDING
HELENA, MONTANA

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STATE TREASURER

December 1, 1966

Honorable Tim Babcock, Governor
Members of the 40th Legislative Body
Capitol Building
Helena, Montana

Dear Governor Babcock and
Legislative Members:

Preliminary Report of the 1966 Operations
of the State Hail Insurance Department

In compliance with Section 82-1519 of the Montana Codes and pertaining to the Hail Insurance Law, I give you a report on the main points of the 1966 hail insurance experience.

1966 was a successful year for the State Hail Department. The volume of hail insurance carried was 9% under that of 1965 owing to poor crop prospects early in the season, in many sections of the State. The loss ratio was 5.1% which is the lowest for any year since 1960 and substantially below the all year average of 6.8%. The average rate charged for hail insurance was 8.8% and reflects the fact that much of our business was written in townships with high insurance rates. It is probably noteworthy to observe that with the advent of new higher yielding wheat varieties the shatter factor has risen sharply with correspondingly higher loss ratios resulting. This report is subject to some small changes but none of the figures will be changed materially. The annual "Report to the Grain Growers" will be final, but will not be ready until the first of the Year 1967. I am giving you the following details which are the most important of the 1966 operation.

BUSINESS SUMMARY FOR 1966

Total Risk Written	\$6,284,516.42
Premium Charge	\$ 554,415.59
Losses Paid	\$ 322,876.92
Policies Issued	2,081
Acres Insured	571,929.02
Average Acres Insured Per Policy	287
Acres Reported Damaged	65,953.04
Losses Filed	316
Days with Hail	50
Loss Ratio	5.1%
Average Cost Per \$1,000 of Protection	\$ 88.20
Average Rate Charged (All Crops)	8.8%

COUNTIES WHERE LOSSES WERE HEAVY

	Premiums	Losses	Loss Ratio
Teton	\$12,566.92	\$37,705.31	19%
Pondera	11,350.55	27,281.54	17%
McCone	67,442.44	107,591.56	16%
Garfield	4,507.17	5,595.14	11%
Choteau	33,170.88	40,070.43	9%

All other counties has a loss ratio of 5% or less except Powder River which was 6%.

ACRES WITH 100% LOSS

	Spr. Wht.	W. Wht.	Barley	Oats	Safflower	Total
Big Horn			100.00			100.0
Garfield		178.3				178.3
Judith Basin		40.0				40.0
McCone	5,244.4	447.0	1,124.0	55.0	79.0	6,949.4
Powder River	15.0	92.0	91.0			198.0
Richland	1,154.0	67.0	25.0			1,246.0
Teton		939.0	121.0			1,060.0
	<u>6,413.4</u>	<u>1,763.3</u>	<u>1,361.0</u>	<u>55.0</u>	<u>79.0</u>	<u>9,771.7</u>

1966 LOSSES BY KIND OF GRAIN

Winter Wheat	\$121,968.43
Spring Wheat	137,573.56
Barley	55,661.09
Oats	918.48
Safflower	1,881.58
Sainfoin	4,680.00

SEVERE STORMS FOR 1966. The first major hail storm occurred on the 3rd and 4th of June in Chouteau County. While the damage was severe in some sections the recovery was good owing to the early date of the storm and to ideal growing conditions. On the 1st and 2nd of July a violent hail storm hit Teton and Pondera Counties with most of the damage occurring in the vicinity of Choteau and Dutton in Teton County. A major hail storm hit McCone County on the 4th of July causing widespread damage. On the Hi-Line and most of the rest of the State the loss was light and scattered. The first reported loss was on May 31 and the last on August 19.

ASSETS OF THE STATE HAIL INSURANCE FUND:

The total assets of the Hail Fund will exceed \$1,200,000.00 when the levies for the premiums are collected, November 30. \$950,000.00 of the Fund is invested in government securities at the present time and further investments will be made as the money becomes available. Interest on investments totaled over \$45,000.00 in 1965. Interest rates on government Securities will be higher than we received in 1965.

In compliance with Section 82-1511 of the Montana Codes the Board has approved payment of one per cent (1%) of the gross annual levies made and collected in the counties to the County Treasurer and two per cent (2%) of the gross annual levies made and collected in the State to the State Treasurer.

APPROXIMATE PAYMENTS FOR 1966:

To the Several Counties.....	\$ 5,545.00
To the State of Montana	11,090.00

The adjustment of losses was very satisfactory and the season ended with no controversial adjustments. A very efficient adjusting staff has been developed. Several school teachers from various towns in the State have developed into excellent adjusters. The most important development in the adjustment of hail losses this year was the prompt reporting of loss by claimants. This led to faster service to the claimant and less expense to the Board as the adjusters could finish their work in a county before leaving.

Our thanks to the county officials who continue to give their cooperation as in the past.

Respectfully submitted for the State Board of Hail Insurance.

Sincerely yours,
LYLE H. STANDISH, Chairman

48 YEAR SUMMARY

Total Risk Written	\$171,210,303.10
Premium Charge	14,281,212.78
Losses Paid	11,677,126.94
Policies Issued	87,929
Total Acres Insured	17,311.590
Average Acres Per Policy	196.85
Loss Ratio	6.8%
Average Cost Per \$1,000 Protection	83.48
Number of Losses Paid	19,231

DETAIL STATEMENT—RISK, LEVY, LOSSES, LOSS RATIOS

COUNTY	1966 Risk	1966 Levy	1966 Losses	1966 Loss Ratio	48 Year Loss Ratio
Big Horn	\$ 306,389.44	\$ 31,983.19	\$ 7,205.83	2	8%
Blaine	266,536.00	27,819.97	558.24		10
Carter	6,604.80	694.95	278.87	4	9
Cascade	12,139.60	838.95	361.15	3	9
Chouteau	450,416.42	33,170.88	39,782.99	9	4
Custer	708.00	67.97			6
Daniels	292,098.00	23,653.41	1,977.56	1	5
Dawson	215,001.61	21,717.79	7,320.27	3	10
Fallon	135,208.20	13,629.11	4,301.13	3	10
Fergus	388,484.00	35,600.33	7,233.48	2	6
Gallatin	4,430.00	382.76			7
Garfield	50,426.80	4,507.17	5,595.14	11	8
Glacier	104,152.00	7,310.08	2,222.62	2	4
Golden Valley	48,294.00	4,818.15	2,443.04	5	8
Hill	195,792.00	15,805.83	68.40		5
Judith Basin	267,489.00	24,095.20	10,135.36	4	7
Liberty	648,974.00	53,810.72	13,913.37	2	6
McCone	667,933.27	67,442.44	107,915.56	16	9
Musselshell	4,140.00	538.00			12
Petroleum	3,176.00	258.08			5
Phillips	139,929.00	11,746.76	1,494.61	1	6
Pondera	168,373.00	11,350.55	27,281.54	17	5
Powder River	98,533.00	9,886.52	5,993.60	6	10
Prairie	163,648.00	9,459.63	384.92		9
Ravalli	4,692.00	207.48			4
Richland	457,019.58	46,218.68	21,184.90	5	8
Roosevelt	148,502.00	11,866.09	705.84		4
Rosebud	2,380.00	251.33			7
Sheridan	331,167.00	26,721.67	3,656.48	1	4
Stillwater	48,158.00	4,293.60	5,446.13	11	7
Teton	197,074.00	12,566.92	37,705.81	19	6
Toole	287,366.50	24,576.00	4,404.50	2	7
Treasure	7,318.00	739.01			12
Valley	101,377.00	10,394.32	1,486.76	1	9
Wheatland	14,590.00	1,540.32			8
Wibaux	11,606.00	1,036.52			7
Yellowstone	34,390.20	3,415.01	1,818.82	5	6
	<u>\$6,284,516.42</u>	<u>\$554,415.59</u>	<u>\$322,876.92</u>	<u>5.1%</u>	<u>6.8%</u>